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PROJECT NO. 51840

**RULEMAKING TO ESTABLISH
ELECTRIC WEATHERIZATION
STANDARDS**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

COMMENTS OF RWE RENEWABLES AMERICAS, LLC

RWE Renewables Americas, LLC (“RWE” or “Company”) appreciates the opportunity to provide comments regarding the Public Utility Commission of Texas’ (“Commission”) proposed new 16 Texas Administrative Code (TAC) §25.55, to implement weather emergency preparedness measures, including for generation entities in the Electric Reliability Council of Texas (“ERCOT”) power region.

RWE has invested more than \$5 billion to supply over 3.6 GW of installed renewable generation capacity in the ERCOT region, developing more than 23 operating utility scale solar, wind and energy storage projects in Texas. The Company is also currently developing and constructing several additional generation facilities across the ERCOT region.

The ERCOT wholesale electricity market is a highly competitive market and has powered the state’s economic engine for nearly 20 years. RWE appreciates the Commission’s work to improve system reliability in the aftermath of Winter Storm Uri, as mandated by the Texas Legislature with its passage of Senate Bill 3. RWE is a member of the Advanced Power Alliance (APA), the American Clean Power Association (ACP), Solar Energy Industries Association (SEIA), and Texas Solar Power Association (TSPA), and incorporates by reference those trade association comments filed concurrently in this docket. RWE in these limited separate comments urges the Commission to clarify several aspects of its proposed rule and to carefully tailor any new weatherization standards to the actual capabilities of installed generation equipment.

I. Applicability To Renewable Generation Resources

In this docket, the Commission proposes to require all generators within ERCOT to implement the specific winter weather readiness actions enumerated as “Best Practices” in the 2012 Quanta Technology Report on Extreme Weather Preparedness.¹ In that Report, Quanta

¹ Proposal for Publication, Project No. 51840, *Rulemaking to Establish Electric Weatherization Standards* (Aug. 26, 2021) (“Proposal”), at p.1.

Technology describes cold weather preparedness practices applicable to thermal generating units (e.g. insulation, heat tracing, and wind breaks). However, since the Quanta Report was filed, the generation resource mix in ERCOT has changed significantly, such that the “best practices” are no longer the best benchmark for the current generation fleet which increasingly includes wind, solar, and battery storage units. The Quanta Report specifically states that its “[b]est practices are generally targeted toward steam generators and combustion turbines.”²

The Commission could also incorporate by reference the recently approved NERC Cold Weather Reliability Standards³ applicable to all generation resources in ERCOT registered with the Texas Reliability Entity, which will audit and enforce implementation of those Cold Weather Reliability Standards.

To the extent necessary, RWE believes that the Commission can provide additional guidance on what winter preparedness practices or metrics, as part of Phase II of this weatherization rulemaking.

II. Limitations of Equipment Operating Parameters

RWE owns and operates equipment at its ERCOT generating facilities, including wind turbine and solar generators and battery energy storage units, which are engineered and constructed to operate under a specific range of site conditions depending on the original equipment manufacturer (OEM) design specifications. Operating beyond design tolerances during a severe weather event would contravene Good Utility Practice, void manufacturer warranties, threaten personnel safety, and risk severely damaging or destroying generation equipment thereby risking the long-term resource adequacy and reliability of the ERCOT region.

RWE urges the Commission to clarify that its proposed regulations in 16 TAC §25.55 will not require generation owners or operators in ERCOT to operate beyond equipment manufacturer design tolerances in order to “ensure the sustained operation” of those components during future severe weather events.

² Quanta Technologies Report at p. 37, Observation No. 9.

³ North American Electric Reliability Corporation (“NERC”), Standards EOP-011-2 (Emergency Preparedness and Operations), IRO-010-4 (Reliability Coordinator Data Specification and Collection), and TOP-003-5 (Operational Reliability Data) (collectively, the “Cold Weather Reliability Standards”).

III. Inability to Prevent Reoccurrence of Derates

RWE notes that the vast majority of its unit derates during the February 2021 Storm Uri event were not component failures, but rather resulted from generation components performing as they were designed, by ceasing to operate when ice accumulation levels and/or ambient temperatures exceeded design parameters. By defining a “cold weather critical component” as “any component that is susceptible to freezing, the occurrence of which is likely to lead to a unit [...] derate” and in turn requiring the sustained operation of such components, the proposed rule risks conflating equipment failures with equipment limits.

RWE requests that the Commission further clarify and distinguish between operational limitations (unit trips, derates, and failures to start) during cold weather events attributed to failure to take feasible preventative or remedial actions, and operational limitations attributed instead to equipment design limitations and/or issues with fuel availability. Rather than implement strict enforcement liability for any reoccurrence of an operational issue similar to those issues experienced during Storm Uri, the Commission should consider requiring generation entities to demonstrate that “reasonable efforts” were undertaken to prevent and minimize reoccurrence.

Similarly, RWE requests that the Commission differentiate between actions or operational issues “within the reasonable control of the generation entity” and “outside the reasonable control of the generation entity” in the Proposal. These clarifications are particularly important given that the current Proposal does not yet have clear processes and timelines for requests for good cause exceptions (and any interim period in which a request is pending or if denied) and does not yet outline clear procedures disputing any potential deficiency decisions from ERCOT. RWE further requests that the Commission clarify those provisions as well.

IV. Conclusion

RWE respectfully requests that the Commission clarify the Proposal as set forth above.

RWE looks forward to working with the Commission and interested parties on these issues.

Dated: September 16, 2021

Respectfully submitted,

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